

Maria C. Andrade-Stern

Senior Contract Administrator

Direct Dial: (202) 261-5396

FAX: (202) 728-0231

mandrade@ui.urban.org

April 25, 2003

Mr. David Brown
Contracting Officer
United States Agency for International Development/Caucasus
18 Marshall Baghramian Avenue
Yerevan, 375019 Armenia

RE: Contract No. EEU-I-00-99-00015-00, TO No. 807
UI Project 06901-008, Armenia Local Governance Program
Quarterly Task Order Progress and Cost Report, January to March 2003

Dear Mr. Brown:

Please find enclosed the *Quarterly Task Order Progress and Cost Report, January to March 2003, for the Armenia Local Government Program*. Sections F.5 and F.6 of our Local Government Assistance Initiative Indefinite Quantity Contract require this report.

In an effort to minimize cost and maximize efficiency in submitting this deliverable, we are planning to submit the report and the manual in soft copy only. We would be pleased to provide a hard copy of either or both documents, if requested.

Please direct any technical questions to Mr. Samuel Coxson, CoP, UI/Yerevan at +374 1-580-739 or by E-mail at slcoxson@yahoo.com. Questions of a contractual nature should be addressed to me at (202) 261-5396.

Sincerely,



Maria C. Andrade-Stern

Enclosures

cc: Bella Markarian (USAID/Armenia)
Mike Keshishian (USAID/W)
Sam Coxson (UI/Yerevan/Armenia)
USAID Development Clearinghouse
IAC Deliverables File (06901-008)
IAC Chron File

**QUARTERLY TASK ORDER
PROGRESS AND COST
REPORT**

JANUARY TO MARCH 2003

**ARMENIA LOCAL
GOVERNANCE PROGRAM**

Prepared for



Armenia Local Governance Program
United States Agency for International Development
Contract No. EEU-I-00-99-00015-00, Task Order No. 807



THE URBAN INSTITUTE

2100 M Street, NW
Washington, DC 20037
(202) 833-7200
www.urban.org

Prepared by

Samuel L. Coxson
The Urban Institute

March 2003
UI Project 06901-008

TABLE OF CONTENTS

I.	HIGHLIGHTS	1
II.	PROGRESS OF MAJOR ACTIVITIES	2
	Legal Reform and Decentralization	2
	Service Delivery Improvement and Local Government Management Strengthening.....	2
	Citizens Participation	2
III.	DELIVERABLES AND REPORTS.....	3
IV.	PROBLEMS OR DELAYS AFFECTING TASK ORDER PERFORMANCE.....	3
V.	WORK PLANNED FOR NEXT REPORTING PERIOD	3
VI.	SPECIFIC ACTION REQUESTED	4

ATTACHMENT

Cost Report

**QUARTERLY TASK ORDER PROGRESS AND COST REPORT
JANUARY TO MARCH 2003
ARMENIA LOCAL GOVERNANCE PROGRAM**

Task Order No.: EEU-I-00-99-00015-00, Task Order No. 807

Date of Issuance: January 18, 2000

Amount Obligated Under Task Order: \$4,205,721

Total Potential Task Order Amount: \$4,205,721

Dollars Expended To-Date: \$3,866,233

Key Personnel: Samuel L. Coxson
374 1 522-787, slcoxson@yahoo.com

Task Order Description

In January 2000, the United States Agency for International Development (USAID) contracted the Urban Institute (UI) to implement a three-year local government project in Armenia. The project provides training and technical assistance (TA) designed to increase local government accountability, accessibility and responsiveness to citizens and to provide more effective and transparent management systems for local governments. The main components of the project are:

- Legal Reform and Decentralization
- Service Delivery Improvement and Local Government Management Strengthening
- Citizen Participation in Local Government Affairs

I. HIGHLIGHTS

- Strategy Paper on Multi-Apartment Building Management
- Completion of the Armenia Local Government Handbook
- Training module for the new Law on Apartment Building Management developed, tested and ready for implementation

II. PROGRESS OF MAJOR ACTIVITIES

Legal Reform and Decentralization

Work continued on the territorial administration law policy review. The primary focus of the review was agreed on and working group research started. Progress on the final draft has been slowed dramatically because of the difficulty in meeting with Ministerial officials. This situation is described in more detail below (Problems and Delays Affecting Task Order Performance).

As a follow up to LGP technical assistance in getting the Apartment Building Management Law passed and the Law on Condominiums amended, LGP conducted a roundtable and seminar that brought all major stakeholders together. The roundtable discussion focused on next steps in the process of stemming multi-apartment building deterioration, coordinating donor efforts, and central government, NGO, and local government roles in the new law. Additionally, the roundtable discussed methods, procedures and policies that would strengthen individual interest in taking responsibility for the common areas of their buildings.

Service Delivery Improvement and Local Government Management Strengthening

Follow-up economic development strategy implementation technical assistance was provided to the City of Ijevan. The city, with the help of LGP, produced a tourism brochure. The 1,000 brochures will be placed in hotels in Yerevan and in tour offices and mailed to diasporas to encourage destination tourism in and around Ijevan.

As a result of the software review relative to the citizen registry module of the municipal software package, the software was amended to accommodate the changes in the election law to enable users of the software to generate lists of voters for local government election responsibilities. During the first quarter Presidential election the software effectiveness was tested and found to generally meet the requirements of the Central Election Commission (CEC). However, the CEC has yet to recognize the software as an integral part of its nationwide system.

All pilot cities adopted final versions of their budgets in the first quarter of 2003. Of those cities passing their budgets, six also circulated budget brochures. All held open, public hearings on the budget. The three cities that did not produce budget brochures stated that they were heavily engaged in the Presidential election and had no time to prepare the brochures but agreed to produce brochures for the next budget.

Citizens Participation

The third annual household survey of the 9 pilot cities was completed and analysis of the survey findings have been written. The survey results when compared with the 2 previous years of survey represent a clear picture of progress in those areas where LGP was active. Key indicators rose between 7 to 20 percent. Citizen knowledge about the services provided by local government, who their local



government officials are, and whether they think that local governments are effective in accomplishing their programs were part of the survey's questions.

III. DELIVERABLES AND REPORTS

- Armenia Local Government Handbook. slcoxson@yahoo.com
- Third Annual Household Survey of Pilot Cities. slcoxson@yahoo.com

IV. PROBLEMS OR DELAYS AFFECTING TASK ORDER PERFORMANCE

The work on territorial administration policy review was further slowed by the availability of Ministry personnel on travel out of the country. Additionally, ministry officials were difficult to meet with during the Presidential campaign, election and run-off election.

V. WORK PLANNED FOR NEXT REPORTING PERIOD

The Armenia local government program phase one will end within the next quarter. Final steps in several activities and completion of work on reports, documents and reviews will be carried out.

COMPONENT 1. LEGAL FRAMEWORK AND DECENTRALIZATION

- Development of a concept paper to be used in a policy review by the Ministry of Territorial Administration. The concept paper will address comments made by the European Commission concerning shortcomings in a previously submitted territorial administration draft law and to suggest areas of further research and policy consensus building. The purpose of the concept paper is to afford the Ministry a range of options to address the shortcomings in order to allow for indigenous political concerns.
- Development of a strategy paper that summarizes all current programs in Armenia, incorporates roundtable findings and recommendations, and suggests ways in which the donor community, the Government of Armenia, NGOs and apartment building management groups can work together more effectively.

COMPONENT 2. SERVICE DELIVERY AND LOCAL GOVERNMENT MANAGEMENT STRENGTHENING

- Continuation of the technical assistance to develop a community-based economic development strategy for Sisian. The materials and lessons learned in Ijevan and Alaverdi will be used in working with Sisian.
- Technical assistance and remedial assistance will be provided to the nine pilot cities and the 12 districts of Yerevan in correcting problems with the citizen registry and development of a voters' list for the Presidential and National Assembly elections.

COMPONENT 3. CITIZEN PARTICIPATION

- Training to be provided to condominium associations, other "management structures", NGO's and local governments using the updated training materials. Specific emphasis is placed on financial management (particularly fee collection), maintenance standards, and safety norms.

VI. SPECIFIC ACTION REQUESTED

None at this time